

Center for Profitable Agriculture Quarterly Progress Report

Progress Report 46

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Center Develops New Publication to Summarize Census of Agriculture Data During August, the CPA released a new UT Extension Special Publication (SP-718) titled "Census of Agriculture Data Shows Growth of Value-Added Farm Enterprises in Tennessee." This three-page, fact-sheet style publication highlights and summarizes information from the USDA Census of Agriculture related to direct marketing, agritourism and value-added farm sales. Limited copies of the new publication are available from the Center and electronic copies are available for printing from the CPA web site at: <http://utextension.tennessee.edu/publications/spfiles/SP718.pdf>. A companion publication is in development which will reveal county-level information for direct marketing, agritourism and value-added enterprise activity.

A Message from the Director

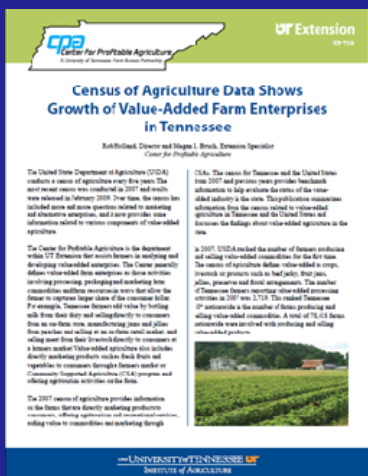
The United States Department of Agriculture (USDA) conducts the Census of Agriculture every five years. The most recent census was carried out in 2007 and the results were released earlier this year. The 2007 Census of Agriculture included data about farms that direct market products to consumers, offer agritourism and recreational services, add value to commodities and market through Community Supported Agriculture activities (CSA). 2007 marks the first Census in which the number of farms involved in agritourism and recreational services had been collected and reported on by the USDA. The number of farms involved in agritourism in Tennessee was 510. These farms reported more than \$6.5 million in sales, with average sales of \$12,759 per farm. The number of Tennessee farmers reporting value-added processing activities in 2007 was 2,719. This ranked Tennessee 10th nationwide in the number of farms producing and selling value-added commodities. From 1997 to 2007, the number of Tennessee farmers selling products directly to consumers increased by 887 from 2,694 to 3,581. This 33 percent increase in the number of Tennessee farmers involved in value-added agriculture through direct marketing was paralleled by an 83.5 percent increase in the total value of agricultural products sold directly to consumers.



Rob Holland, Director - Center for Profitable Agriculture

New Center Promotional Items and Trade Show Exhibit Unveiled In July, the Center unveiled two new printed informational and promotional items and a newly designed trade show exhibit to inform people about the programs and services of the Center as well as to extend the "value-added agriculture" message. These three new items were developed in the same theme as the Center's ten-year anniversary publication that was released earlier this year. The Center's trade show exhibit provides significant opportunities for CPA Specialists to interact with farmers and colleagues across the state, disseminate educational information and increase awareness of value-added farm enterprises.

Federal Stimulus Funds Made Available for Agritourism Program Under the leadership and direction of Megan Bruch, the CPA will soon be receiving \$21,500 in federal stimulus funds to assist in the development of agritourism-related educational and training programs over the next year and a half. The new funds will allow for the development of an educational publication related to the new agritourism liability law, the offering of a second multi-day bus tour of agritourism operations and the opportunity to make professional development activities available for CPA specialists and co-operating Area Farm Management specialists.



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Educational Tours Held as Part of GROW-10 Program Nearly 100 farmers, agri-entrepreneurs, community leaders and extension agents participated in two day long educational tours held during the third quarter of 2009 as part of the GROW-10 program. The first tour focused on farmers market development and took place in late July. Participants were able to tour and visit with market managers at the Nashville Farmers Market and East Nashville Farmers Market. Managers shared information about their market advertising, vendor policies and management procedures and included a question and answer session. The second tour was held in early September and focused on Community Supported Agriculture (CSA). Attendees visited Delvin Farms and Rocky Glade Farm in middle Tennessee. The CSA farm representatives explained the ins and outs of their operation, including details such as pricing, promotion, packing, distribution, production and member management. Each tour featured both a small and a large scale operation giving attendees insight into challenges and benefits at each level. The Center received positive feedback from all those attending. A third tour designed to showcase agri-tourism operations is scheduled for November 4. Registration started in early September and over half of the available spaces have already been reserved.



CPA Supports “National Institute for Cooperative Education” (NICE) Conference on UT Knoxville Campus The Tennessee Council of Cooperatives and the University of Tennessee served as host to the 81st annual NICE conference July 25 through 29 in Knoxville, Tennessee. More than 90 students from 11 states participated in the 2009 conference where they learned and experienced how cooperatives work and their benefits to members and local communities. The Center for Profitable Agriculture served as a sponsor for the conference and assisted with its planning and implementation.

Bruch and Holland Recognized at National Meeting in Portland Megan Bruch returned from the 2009 Annual Meeting and Professional Development Conference of the National Association of Agricultural Agents (NACAA) with several awards to her credit. Megan was awarded first place in the national Communications Contest with the top Extension publication and third place in the “Extension Educational Program Poster” competition. Megan was also one of only two recipients from the Tennessee delegation who received the “Achievement Award” (AA), which recognizes excellence among Extension professionals with less than 10 years experience. Rob Holland was recognized as one of the Tennesseans to receive the “Distinguished Service Award” (DSA) at the annual conference banquet. The 2009 conference was held from September 20 through 25 in Portland, Oregon with more than 1,000 Extension professionals from across the nation in attendance.



Project Updates



Goat Cheese Marketing Considerations Identifying potential wholesale and retail market channels and pricing products for wholesale and retail sale can be challenging to value-added agricultural producers. Potential wholesale markets may include grocery stores and restaurants. Potential retail marketing outlets may include farmers markets, on-farm retail markets or Internet/mail order sales. Identifying which outlets offer the best opportunities and understanding how to access these markets is important to efficiently and effectively marketing products. When developing a pricing strategy, many things need to be taken into consideration and include the cost of production, the product attributes and positioning, the financial goals and objectives, the competition and the customer’s willingness to pay. Producers must also account for wholesale to retail markup expectations when marketing products through wholesale channels.

Considerations for Value-added Products Producers experiencing a financial loss on a farm enterprise may consider developing value-added products as a method to save the enterprise. Entering into a value-added agriculture enterprise, however, presents its own challenges. Start-up costs, regulatory issues, operating expenses, market potential, labor needs, risk management and more should be considered before making investments. While value-added products can be successful ventures for some farmers, it is not always a feasible alternative. The potential for value-added success is often reduced for enterprises already facing financial challenges.